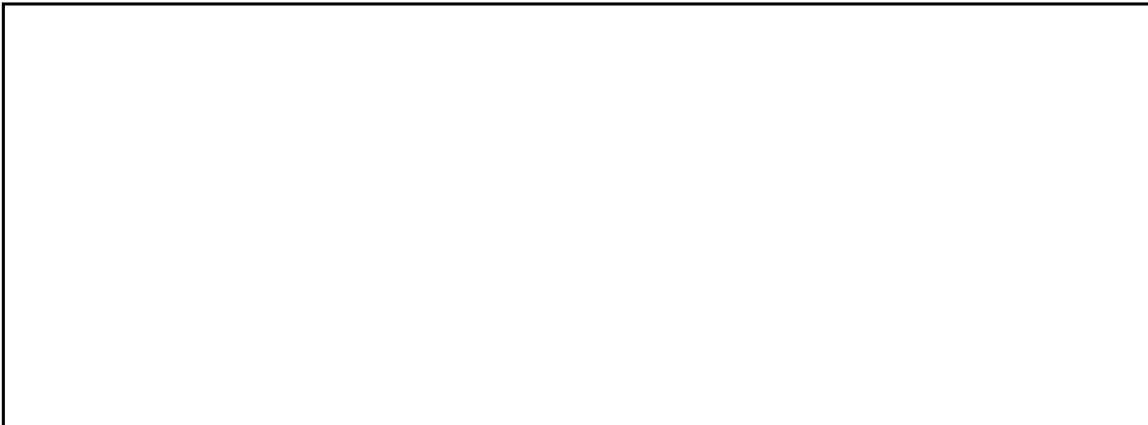


TOP SECRET

1126

GENERAL

1. Aspects of East-West trade--In analyzing the over-all effects of western economic policies during a recent meeting in London, US ambassadors to the Soviet bloc countries expressed the opinion that western economic policies are already creating economic difficulties between Moscow and the Satellites and offer a major field for "further and better" western efforts. The ambassadors consider the present time to be particularly opportune for effective economic action by the West, largely because: (a) the Satellite economies have not yet recovered from war devastation, shortages, and forced economic re-orientations directed from Moscow; and (b) the Western European countries may be more willing to cooperate now than at some future date when pressures to find markets for expanded production will have increased. In regard to long-range economic policy, the ambassadors point out that Western Europe should seek to expand alternate sources of supply for essential items now obtained from the Soviet bloc and to develop new markets for products of Western Europe's heavy industries.

Document No. 022NO CHANGE in Class. ☐☐ DECLASSIFIED

Class. CHANGED TO: TS S ©

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1783

Date: 5 MAR 1978 By: **CONFIDENTIAL**

State Dept, review completed

25X1